

MINUTES OF MEETING #393
BOARD OF TRUSTEES
KENTUCKY RETIREMENT SYSTEMS
OCTOBER 23-24, 2014; 8:30 A.M., E.T.
EMBASSY SUITES RIVERCENTER
10 E. RIVER BOULEVARD, COVINGTON, KENTUCKY 41011

At the Special Called Meeting of the Board of Trustees held on October 23-24, 2014, the following members were present: Tommy Elliott, Chair; Daniel Bauer, Vice Chair; Mike Cherry, Ed Davis, JT Fulkerson, Joseph Hardesty, Vince Lang, Tim Longmeyer, Randy Overstreet, Mary Helen Peter, David Rich, Randy Stevens, and William Summers. In addition, staff members present were William Thielen, Karen Roggenkamp, Rebecca Stephens, David Peden, Brian Thomas, Connie Davis, Connie Pettyjohn, and Leigh Taylor. Also present was Rebecca Heckler, Stephanie Heller and Carla Whaley from Humana.

Mr. Elliott called the meeting to order and reviewed the agenda for the attendees.

Scott McKenzie entered the meeting.

Mr. Elliott introduced the agenda item *KRS Medicare Eligible Health Insurance Update*. Ms. Heller and Ms. Whaley presented a review of the KRS Medicare Advantage Plan for 2014. This presentation was provided for information only. Ms. Pettyjohn presented information regarding the Affordable Care Act and the KRS Retiree Health Care Data Utilization. This presentation was provided for information only.

Joseph Hardesty entered the meeting.

Mr. Elliott introduced the agenda item *KRS Staff Updates*. The following KRS Staff members gave presentations for review and discussion: Ms. Davis provided a review of Internal Audit; Mr. Peden provided a review of the Investment outlook; Ms. Roggenkamp presented on Operations; Ms. Stephens presented on Benefits Services, and Mr. Thomas provided a legal update. These presentations were provided for information only.

Mr. Elliott called for a short recess.

John Steffen arrived and Secretary Longmeyer departed during the break.

Mr. Elliott called the meeting back into session and introduced the agenda item *Executive Branch Ethics Presentation*. Mr. Steffen provided information regarding the Kentucky Executive Branch Ethics policies for the Trustees. This presentation was provided for information only.

Mr. Elliott temporarily suspended the meeting for a lunch break.

Tony Johnson of R. V. Kuhns and Girish Reddy of KKR Prisma arrived during the break.

Following lunch, Mr. Elliott called the meeting back into session and introduced the agenda item *What is an Asset Liability Modeling Study?* Mr. Johnson presented information on asset liability studies and benefits for discussion. This presentation was provided for information only. Mr. Reddy presented information on hedge funds and absolute returns for discussion. This presentation was provided for information only.

Mr. Elliott called for a short recess of the meeting.

Mark McChesney entered the meeting during the break.

Mr. Elliott called the meeting back into session and introduced the agenda item *Information Security*. Mr. McChesney presented *Privacy and Security – Trends, Threats, and Risks* for discussion. This presentation was provided for information only.

Mr. Elliot suspended the meeting at 4:40 p.m.

The meeting reconvened at 8:30 am on October 24, 2014; the following members were present: Tommy Elliott, Chair; Mike Cherry, Ed Davis, JT Fulkerson, Joseph Hardesty, Vince Lang, Tim Longmeyer, Randy Overstreet, Mary Helen Peter, David Rich, Randy Stevens, and William Summers. In addition, staff members present were William Thielen, Karen Roggenkamp, Rebecca Stephens, David Peden, Brian Thomas, Connie Pettyjohn, and Leigh Taylor. Also present was Rebecca Heckler and Todd Green of Cavanaugh Macdonald.

Mr. Elliott called the meeting back into order and introduced the agenda item *Actuarial Concepts and Issues*. Mr. Green presented on actuarial valuation basics. This presentation was provided for informational purposes only.

Mr. Elliott introduced the agenda item *Legal, Legislative, and Other KRS Issues*. Mr. Thielen and Mr. Thomas provided an update regarding upcoming legal and legislative issues. This presentation was provided for information only.

Mark Siscoe and Mary Beth Braitman of Ice Miller entered the meeting.

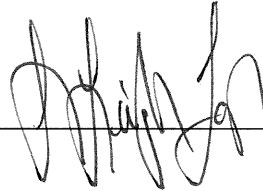
Mr. Elliott introduced the agenda item *Trustee Fiduciary Responsibility*. Mr. Siscoe and Ms. Braitman presented the educational materials regarding the fiduciary duties of the Board of Trustees members under both State and Federal law. This presentation was provided for information only.

There being no further business, the meeting adjourned at 11:45 a.m. to meet on December 4, 2014 or upon the call of the Executive Director or the Chair of the Board of Trustees.

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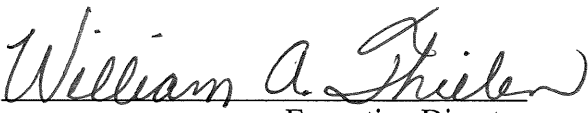
CERTIFICATION

I do certify that I was present at this meeting, and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.

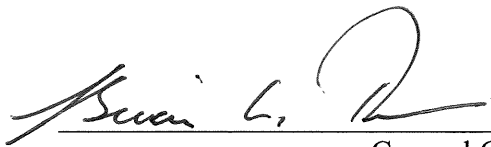

Recording Secretary

We, the Chair of the Board of Trustees of the Kentucky Retirement Systems and Executive Director of KRS, do certify that the Minutes of Special Meeting No. 393, held on October 23-24, 2014, were approved on December 4, 2014.


Chair


Executive Director

I, Brian C. Thomas, have reviewed the Minutes of the October 23-24, 2014 Special Board of Trustees Meeting for form, content and legality.


General Counsel